



CITY OF HOUGHTON

BIRTHPLACE OF PROFESSIONAL HOCKEY

City Center

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February 11, 2011

Re: House Bill 4248 to amend the Downtown Development Authority Act which would allow the City of Houghton DDA to restructure our 1994 bond issue.

- Michigan Technological University purchased a building located in the DDA District which removed it from the tax roll resulting in an \$86,000 reduction in DDA revenue.
- 1994 Capital Appreciation Bond Payment increased in 2011 from \$100,000 to \$205,000.
- With revenue reduction the City of Houghton is unable to make the May 1, 2011 bond payment.
- Bill would allow the City of Houghton DDA to restructure the 1994 bond payment.
- Bill caps the amount of school tax capture.
- Bill was approved by the Michigan Department of Treasury in November of 2010.
- Bill passed House of Representatives in November of 2010 – (HB 625)
- Bill referred to Senate Committee on Commerce and Tourism and was reported favorably without amendment in November of 2010.
- Bill not taken up by full Senate before adjournment
- Legislation is similar to amendments made to the DDA and TIFA Act which allowed the City of Ionia (DDA) and the City of Lansing (TIFA) to restructure their debt following a significant reduction in taxable value within their districts.

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